

Auditing Procedures Report

Issued under P.A. 2 of 1968, as amended and P.A. 71 of 1919, as amended.

Local Unit of Government Type <input type="checkbox"/> County <input type="checkbox"/> City <input checked="" type="checkbox"/> Twp <input type="checkbox"/> Village <input type="checkbox"/> Other		Local Unit Name ALBERT TOWNSHIP	County MONTMORENCY
Fiscal Year End MARCH 31, 2007	Opinion Date 8/16/07	Date Audit Report Submitted to State 9/20/07	

We affirm that:

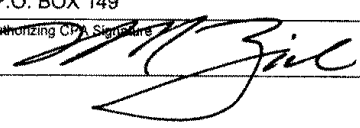
We are certified public accountants licensed to practice in Michigan.

We further affirm the following material, "no" responses have been disclosed in the financial statements, including the notes, or in the Management Letter (report of comments and recommendations).

- YES NO **Check each applicable box below.** (See instructions for further detail.)
- ☒ ☐ All required component units/funds/agencies of the local unit are included in the financial statements and/or disclosed in the reporting entity notes to the financial statements as necessary.
 - ☒ ☐ There are no accumulated deficits in one or more of this unit's unreserved fund balances/unrestricted net assets (P.A. 275 of 1980) or the local unit has not exceeded its budget for expenditures.
 - ☒ ☐ The local unit is in compliance with the Uniform Chart of Accounts issued by the Department of Treasury.
 - ☒ ☐ The local unit has adopted a budget for all required funds.
 - ☒ ☐ A public hearing on the budget was held in accordance with State statute.
 - ☒ ☐ The local unit has not violated the Municipal Finance Act, an order issued under the Emergency Municipal Loan Act, or other guidance as issued by the Local Audit and Finance Division.
 - ☒ ☐ The local unit has not been delinquent in distributing tax revenues that were collected for another taxing unit.
 - ☒ ☐ The local unit only holds deposits/investments that comply with statutory requirements.
 - ☒ ☐ The local unit has no illegal or unauthorized expenditures that came to our attention as defined in the *Bulletin for Audits of Local Units of Government in Michigan*, as revised (see Appendix H of Bulletin).
 - ☒ ☐ There are no indications of defalcation, fraud or embezzlement, which came to our attention during the course of our audit that have not been previously communicated to the Local Audit and Finance Division (LAFD). If there is such activity that has not been communicated, please submit a separate report under separate cover.
 - ☒ ☐ The local unit is free of repeated comments from previous years.
 - ☒ ☐ The audit opinion is UNQUALIFIED.
 - ☒ ☐ The local unit has complied with GASB 34 or GASB 34 as modified by MCGAA Statement #7 and other generally accepted accounting principles (GAAP).
 - ☒ ☐ The board or council approves all invoices prior to payment as required by charter or statute.
 - ☒ ☐ To our knowledge, bank reconciliations that were reviewed were performed timely.

If a local unit of government (authorities and commissions included) is operating within the boundaries of the audited entity and is not included in this or any other audit report, nor do they obtain a stand-alone audit, please enclose the name(s), address(es), and a description(s) of the authority and/or commission.

I, the undersigned, certify that this statement is complete and accurate in all respects.

We have enclosed the following:	Enclosed	Not Required (enter a brief justification)	
Financial Statements	<input checked="" type="checkbox"/>		
The letter of Comments and Recommendations	<input checked="" type="checkbox"/>		
Other (Describe)	<input type="checkbox"/>		
Certified Public Accountant (Firm Name) THOMAS R ZICK CPA, P.C.		Telephone Number 989-786-4032	
Street Address P.O. BOX 149		City LEWISTON	State MI
Authorizing CPA Signature 		Printed Name THOMAS R ZICK, CPA	Zip 49756
		License Number 11001007478	

**ALBERT TOWNSHIP
BASIC FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2007**

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Thomas R. Zick CPA, P.C.
CERTIFIED PUBLIC ACCOUNTANT

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INDEPENDENT AUDITOR'S REPORT

August 16, 2007

Township Board
Albert Township
Lewiston, Michigan 49756

I have audited the accompanying financial statements of the governmental activities, the business type activity, each major fund, and the aggregate remaining fund information of the Albert Township as of and for the year ended March 31, 2007, which collectively comprise the Township's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Albert Township's management. My responsibility is to express opinions on these financial statements based on my audit.

I conducted my audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinions.

In my opinion, based on my audit, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business type activity, each major fund, and the aggregate remaining fund information of the Albert Township, as of March 31, 2007, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

The management's discussion and analysis and budgetary comparison information as identified in the table of contents are not a required part of the basic financial statements but are supplemental information required by accounting principles generally accepted in the United States of America. I have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplemental information. However, I did not audit the information and express no opinion on it.

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Albert Township's basic financial statements. The introductory section, and combining non-major fund financial statements, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining non-major fund financial statements have been subjected to the auditing procedures applied by me in the audit of the basic financial statements and, in my opinion, based on my audit are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

A handwritten signature in black ink, reading "Thomas R. Zick, CPA P.C." in a cursive script.

THOMAS R. ZICK CPA, P.C.
CERTIFIED PUBLIC ACCOUNTANT

ALBERT TOWNSHIP

MANAGEMENT'S DISCUSSION AND ANALYSIS

This annual report consists of a series of financial statements. The Statement of Net Assets and the Statement of Activities provide information about the activities of the Township as a whole and present a longer-term view of the Township's finances. Fund financial statements tell how these services were financed in the short-term, as well as what remains for future spending. Fund financial statements also report the Township's operations in more detail than the government-wide financial statements.

THE TOWNSHIP AS A WHOLE

The Township's combined net assets increased 8.2% from a year ago – increasing by \$209,500

The increase in overall Township tax revenues is the result of continued strength in new construction and property value growth. The increase in taxable value for 2007 is 6.4% compared to an increase of 6.0% in 2006. The business type activity experienced a \$112,544 increase in net assets, primarily as a result of a transfer of \$120,000 from the general fund to pay for a new well and related costs.

In a condensed format, the table below shows a calculation of the net assets as of the current balance sheet date.

	<u>03/31/07</u>		<u>03/31/06</u>		<u>03/31/07</u>	<u>03/31/06</u>
	Governmental Activities	Business Type Activity	Governmental Activities	Business Type Activity	Total	Total
Current Assets	\$ 1,534,724	\$ 28,247	\$ 1,492,181	\$ 6,502	\$ 1,562,971	\$ 1,498,683
Noncurrent Assets	<u>1,050,308</u>	<u>223,897</u>	<u>989,426</u>	<u>109,801</u>	<u>1,274,205</u>	<u>1,099,227</u>
Total Assets	<u>2,585,032</u>	<u>252,144</u>	<u>2,481,607</u>	<u>116,303</u>	<u>2,837,176</u>	<u>2,597,910</u>
Current Liabilities	<u>38,511</u>	<u>23,299</u>	<u>32,042</u>	<u>2</u>	<u>61,810</u>	<u>32,044</u>
Total Liabilities	<u>38,511</u>	<u>23,299</u>	<u>32,042</u>	<u>2</u>	<u>61,810</u>	<u>32,044</u>
Net Assets						
Invested in Capital Assets -						
Net of Debt	1,050,308	223,897	989,426	109,801	1,274,205	1,099,227
Restricted	1,080,059	-	1,032,158	-	1,080,059	1,032,158
Unrestricted	<u>416,154</u>	<u>4,948</u>	<u>427,981</u>	<u>6,500</u>	<u>421,102</u>	<u>434,481</u>
Total Net Assets	<u>\$ 2,546,521</u>	<u>\$ 228,845</u>	<u>\$ 2,449,565</u>	<u>\$ 116,301</u>	<u>\$ 2,775,366</u>	<u>\$ 2,565,866</u>

Unrestricted net assets – the part of net assets that can be used to finance day to day operations ended the year at \$416,154, down \$13,379 from the prior year.

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

The following table shows the changes in the net assets as of the current year.

	<u>03/31/07</u>		<u>03/31/06</u>		<u>03/31/07</u>	<u>03/31/06</u>
	Governmental Activities	Business Type Activity	Governmental Activities	Business Type Activity	Total	Total
Program Revenues						
Charges for Services	\$ 287,628	\$ 4,352	\$ 280,470	\$ 4,746	\$ 291,980	\$ 285,216
Operating Grants and contributions	4,723	-	7,666	-	4,723	7,666
Capital Grants and contributions	39,406	-	17,130	-	39,406	17,130
General Revenues						
Property Taxes	463,709	-	451,988	-	463,709	451,988
State Shared Revenues	183,882	-	182,017	-	183,882	182,017
Unrestricted Investment Earnings / Other Revenue	85,782	115	63,683	251	85,897	63,934
Total Revenues	<u>1,065,130</u>	<u>4,467</u>	<u>1,002,954</u>	<u>4,997</u>	<u>1,069,597</u>	<u>1,007,951</u>
Program Expenses						
General government	306,064	-	298,279	-	306,064	298,279
Public Safety	431,168	-	401,018	-	431,168	401,018
Public Works	93,470	11,923	156,466	12,390	105,393	168,856
Recreation and Culture	14,472	-	15,439	-	14,472	15,439
Total Expenses	<u>845,174</u>	<u>11,923</u>	<u>871,202</u>	<u>12,390</u>	<u>857,097</u>	<u>883,592</u>
Transfers	<u>(120,000)</u>	<u>120,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Change in Net Assets	<u>\$ 99,956</u>	<u>\$ 112,544</u>	<u>\$ 131,752</u>	<u>\$ (7,393)</u>	<u>\$ 212,500</u>	<u>\$ 124,359</u>

The Township's net assets continue to remain healthy. With new residents moving in, the total revenues grew slightly faster than inflation while we were able to hold expenses in line.

GOVERNMENTAL ACTIVITIES

The Township's total governmental revenues were \$1,065,130 which was an increase of \$62,176.

This increase occurred primarily because of an increase in tax revenue and interest income.

Expenditures also decreased for the year by approximately \$26,028. This was primarily due to the decrease in road fund expenses.

The Township prepaid the County Road Commission \$90,000 during the year to assist the Road Commission in preparing County Road 612 for paving during the 2007-08 year. The Fire and Ambulance Fund paid approximately \$110,000 to purchase a new ambulance during 2006-07.

BUSINESS TYPE ACTIVITY

The Township's only business type activity is a water system which provides water to only customers in the downtown area of Lewiston. This activity relies heavily on the general fund for financial support if large capital improvements are needed. It showed an increase in net assets of \$112,544 for the fiscal year, because of a \$120,000 transfer from the general fund. This transfer was needed to pay for a new well along with other capital outlay costs associated with that well.

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

THE TOWNSHIP'S FUNDS

Our analysis of the Township's major funds begins on page 8 following the Township-wide financial statements. The fund financial statements provide detail information about the most significant funds, not the township as a whole. The township board creates funds to help manage money for specific purposes as well as to show accountability for certain activities, such as property tax millage. The Township's major funds for 2006/07 include the General Fund, Fire and Ambulance Fund, and Road Fund. The other fund is the Metro Act Fund.

The General Fund pays for most of the Township's governmental services, except for fire and ambulance and road expenses that are paid for by those funds. The most significant services in terms of costs incurred are assessing and transfer site which are paid by the General Fund and fire and ambulance services paid by the Fire and Ambulance Fund.

GENERAL FUND BUDGETARY HIGHLIGHTS

Over the course of the year, the Township Board amended the budget to take into account events during the year. There were only minor budget adjustments during the year. The General Fund Balance decreased by \$10,032 during the year, primarily because of the \$120,000 transfer to the water fund.

CAPITAL ASSET AND DEBT ADMINISTRATION

At March 31, 2007 the Township had \$1,050,308 invested in net capital assets in a broad range of capital assets, including buildings, equipment and fire equipment, and water system. The Township also invested \$14,315 in cost sharing with the County Road Commission for road construction and improvements. The road asset is not reported in the Township's financial statements because of Michigan law, which makes these roads the property of the County Road Commission (along with the responsibility to maintain them). The Township also invested approximately \$120,000 in a new well for the water system.

The Township has no long-term debt.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The Township's budget for 2007/08 General Fund calls for the allocated millage to continue with a slight 'Headlee' rollback. The Fire and Ambulance Fund extra voted millage will also continue with a slight rollback. Both millages reflect an increase in revenue due to the increase in Taxable Value.

There is continued reduction in the General fund Revenues due to the State not paying Statutory Revenue Sharing. The estimated loss to the township due to statutory revenue is estimated at \$45,000 for Fiscal year 2007.

CONTACTING THE TOWNSHIP'S MANAGEMENT

This financial report is intended to provide our citizens, taxpayers, customers, and investors with a general overview of the Township's finances and to show the Township's accountability for the money it receives. If you have questions about this report or need additional information, we welcome you to contact the supervisor's office at (989) 786-2513 or visit the Township offices located in Lewiston, Michigan.

ALBERT TOWNSHIP
STATEMENT OF NET ASSETS
MARCH 31, 2007

	Governmental Activities	Business Type Activities	Total
ASSETS			
Cash demand, time deposits, and investments	\$ 1,388,568	\$ 28,247	\$ 1,416,815
Receivables			
Taxes	33,267	-	33,267
Administration Fee	2,823	-	2,823
Accounts	20,066	-	20,066
Prepaid Expenses	90,000	-	90,000
Capital assets			
Land	64,700	-	64,700
Other capital assets, net of depreciation	<u>985,608</u>	<u>223,897</u>	<u>1,209,505</u>
 TOTAL ASSETS	 <u>2,585,032</u>	 <u>252,144</u>	 <u>2,837,176</u>
 LIABILITIES			
Accounts payable	19,629	23,299	42,928
Accrued liabilities	<u>18,882</u>	<u>-</u>	<u>18,882</u>
 TOTAL LIABILITIES	 <u>38,511</u>	 <u>23,299</u>	 <u>61,810</u>
 NET ASSETS			
Invested in capital assets, net of related debt	1,050,308	223,897	1,274,205
Restricted for:			
Road Fund	219,324	-	219,324
Fire and Ambulance Fund	848,296	-	848,296
Metro Act Fund	12,439	-	12,439
Unrestricted	<u>416,154</u>	<u>4,948</u>	<u>421,102</u>
 TOTAL NET ASSETS	 <u><u>\$ 2,546,521</u></u>	 <u><u>\$ 228,845</u></u>	 <u><u>\$ 2,775,366</u></u>

See Notes to Financial Statements

ALBERT TOWNSHIP
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED MARCH 31, 2007

Functions / Programs	Expenses	Program Revenues			Net (Expense) Revenue
		Charges for Services	Operating Grants and Contributions	Capital Grants	
Primary Government					
Governmental Activities					
General Government	\$ 306,064	\$ 76,769	\$ -	\$ -	\$ (229,295)
Public Safety	431,168	129,434	-	39,406	(262,328)
Public Works	93,470	81,425	4,723	-	(7,322)
Recreation and Culture	14,472	-	-	-	(14,472)
Capital Outlay	-	-	-	-	-
Total Governmental Activities	845,174	287,628	4,723	39,406	(513,417)
Business Type Activity					
Water Fund	11,923	4,352	-	-	(7,571)
Total Primary Government	\$ 857,097	\$ 291,980	\$ 4,723	\$ 39,406	(520,988)
			Governmental Activities	Business Type Activities	Total
Changes in net assets					
Net (expense) revenue			\$ (513,417)	\$ (7,571)	\$ (520,988)
General revenues:					
Taxes:					
Property taxes levied for general operating			118,145	-	118,145
Property taxes levied for fire & ambulance			278,800		278,800
Property taxes levied for roads			66,764		66,764
State Revenue Sharing not restricted to specific purposes			183,882	-	183,882
Loss on disposition of capital assets			(9,194)		(9,194)
Interest and royalty earnings			85,921	115	86,036
Other revenue			6,055		6,055
Transfers			(120,000)	120,000	-
Total general revenues and taxes			610,373	120,115	730,488
Change in net assets			96,956	112,544	209,500
Net assets, beginning of year			2,449,565	116,301	2,565,866
Net assets, end of year			\$ 2,546,521	\$ 228,845	\$ 2,775,366

See Notes to Financial Statements

ALBERT TOWNSHIP
BALANCE SHEET
GOVERNMENTAL FUNDS
MARCH 31, 2007

	GENERAL FUND	FIRE & AMBULANCE FUND	ROAD	OTHER FUNDS	TOTAL
ASSETS					
Cash and Investments	\$ 430,809	\$ 820,683	\$ 124,637	\$ 12,439	\$ 1,388,568
Receivables					
Taxes	7,381	20,494	5,392	-	33,267
Administration Fee	2,823	-	-	-	2,823
Ambulance	-	20,066	-	-	20,066
Other	-	-	-	-	-
Prepaid Expenses	-	-	90,000	-	90,000
Due From Other Governmental Units	-	-	-	-	-
TOTAL ASSETS	<u>\$ 441,013</u>	<u>\$ 861,243</u>	<u>\$ 220,029</u>	<u>\$ 12,439</u>	<u>\$ 1,534,724</u>
LIABILITIES AND FUND BALANCES					
LIABILITIES					
Accounts Payable	10,029	8,895	705	-	19,629
Accrued Liabilities	<u>2,424</u>	<u>4,052</u>	<u>-</u>	<u>-</u>	<u>6,476</u>
TOTAL LIABILITIES	<u>12,453</u>	<u>12,947</u>	<u>705</u>	<u>-</u>	<u>26,105</u>
FUND BALANCES					
Reserved	-	848,296	219,324	12,439	1,080,059
Unreserved	<u>428,560</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>428,560</u>
TOTAL FUND BALANCES	<u>428,560</u>	<u>848,296</u>	<u>219,324</u>	<u>12,439</u>	<u>1,508,619</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 441,013</u>	<u>\$ 861,243</u>	<u>\$ 220,029</u>	<u>\$ 12,439</u>	<u>\$ 1,534,724</u>

See Notes to Financial Statements

ALBERT TOWNSHIP
Reconciliation of Fund Balances on the Balance Sheet
for Governmental Funds to Net Assets of
Governmental Activities on the Statement of Net Assets
MARCH 31, 2007

Fund Balances - Total Governmental Funds	\$ 1,508,619
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Amounts reported for *governmental activities* in the statement of net assets are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.

Capital Assets - at Cost	2,128,587
Accumulated Depreciation	(1,078,279)

Accrued personal leave is not included as a liability in the governmental funds	<u>(12,406)</u>
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Net Assets of Governmental Activities	<u>\$ 2,546,521</u>
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See Notes to Financial Statements

ALBERT TOWNSHIP
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED MARCH 31, 2007

	GENERAL FUND	FIRE & AMBULANCE FUND	ROAD	OTHER FUNDS	TOTAL
REVENUES					
Taxes	\$ 118,145	\$ 278,800	\$ 66,764	\$ -	\$ 463,709
State Sources	183,882	-	-	4,723	188,605
Federal Sources	-	39,406	-	-	39,406
Other Governments	12,500	-	-	-	12,500
Charges for Services	108,844	121,351	-	-	230,195
Interest Income / Royalty Income	45,943	32,212	7,204	562	85,921
Administration Fee	44,933	-	-	-	44,933
Other Revenue	1,802	9,253	-	-	11,055
TOTAL REVENUES	<u>516,049</u>	<u>481,022</u>	<u>73,968</u>	<u>5,285</u>	<u>1,076,324</u>
EXPENDITURES					
General Government	\$ 284,706	-	-	-	284,706
Public Safety	32,209	338,798	-	-	371,007
Public Works	64,814	-	25,704	2,952	93,470
Recreation & Culture	14,472	-	-	-	14,472
Capital Outlay	9,880	144,920	-	-	154,800
TOTAL EXPENDITURES	<u>406,081</u>	<u>483,718</u>	<u>25,704</u>	<u>2,952</u>	<u>918,455</u>
REVENUES OVER (UNDER) EXPENDITURES	109,968	(2,696)	48,264	2,333	157,869
OTHER FINANCING SOURCES (USES)					
Operating Transfers Out	<u>(120,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(120,000)</u>
REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING (USES)	(10,032)	(2,696)	48,264	2,333	37,869
FUND BALANCES, BEGINNING OF YEAR	<u>438,592</u>	<u>850,992</u>	<u>171,060</u>	<u>10,106</u>	<u>1,470,750</u>
FUND BALANCES, END OF YEAR	<u>\$ 428,560</u>	<u>\$ 848,296</u>	<u>\$ 219,324</u>	<u>\$ 12,439</u>	<u>\$ 1,508,619</u>

See Notes to Financial Statements

ALBERT TOWNSHIP
Reconciliation of the Statement of Revenues, Expenditures
and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
FOR THE YEAR ENDED MARCH 31, 2007

Net Change in Fund Balances - Total Governmental Funds	\$	37,869
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Amounts reported for *governmental activities* in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Add - Capital Outlay		154,800
Deduct - Depreciation Expense		(79,724)

Increase in Accrued Personal Leave		(1,795)
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The sale of capital assets in the governmental funds is recorded at the sale price while in the Statement of Activities only the gain is recorded. Therefore the cost / net book value of the assets sold must be deducted.

		(14,194)
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Change in Net Assets of Governmental Funds	\$	<u>96,956</u>
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See Notes to Financial Statements

ALBERT TOWNSHIP
 PROPRIETARY FUND
 STATEMENT OF NET ASSETS
 MARCH 31, 2007

	ENTERPRISE FUND <u>WATER</u>
ASSETS	
Current Assets	
Cash and Investments	\$ 28,247
Capital Assets	
Water System - Cost Net of Depreciation	<u>223,897</u>
 TOTAL ASSETS	 <u>252,144</u>
 LIABILITIES	
Accounts Payable	<u>23,299</u>
 TOTAL LIABILITIES, ALL CURRENT	 <u>23,299</u>
 NET ASSETS	
Investment in Capital Assets, Net of Related Debt	223,897
Unrestricted net assets	<u>4,948</u>
 TOTAL NET ASSETS	 <u><u>\$ 228,845</u></u>

See Notes to Financial Statements

ALBERT TOWNSHIP
 PROPRIETARY FUND
 STATEMENT OF REVENUES, EXPENSES
 AND CHANGES IN NET ASSETS
 MARCH 31, 2007

	ENTERPRISE FUND <u>WATER</u>
OPERATING REVENUES	
Charges for Services	\$ 4,352
TOTAL OPERATING REVENUES	<u>4,352</u>
OPERATING EXPENSES	
Supplies	696
Services	5,409
Depreciation Expense	<u>5,818</u>
TOTAL OPERATING EXPENSES	<u>11,923</u>
OPERATING INCOME (LOSS)	(7,571)
NONOPERATING REVENUE (EXPENSE)	
Interest Earned on Investments	115
Transfer From Other Funds	<u>120,000</u>
TOTAL NONOPERATING REVENUES (EXPENSES)	<u>120,115</u>
NET INCOME (LOSS)	112,544
NET ASSETS, BEGINNING OF YEAR	<u>116,301</u>
NET ASSETS, END OF YEAR	<u><u>\$ 228,845</u></u>

See Notes to Financial Statements

ALBERT TOWNSHIP
 PROPRIETARY FUND
 STATEMENT OF CASH FLOWS
 FOR THE YEAR ENDED MARCH 31, 2007

	ENTERPRISE FUND WATER
Cash Flows from Operating Activities:	
Cash received from customers	\$ 4,352
Cash payments for goods and services	<u>(6,105)</u>
Net Cash Provided (Used) by Operating Activities	<u>(1,753)</u>
Cash Flows from Non Capital Financing Activities:	
Transfers from other funds	<u>120,000</u>
Net Cash Provided by Non Capital Financing Activities	<u>120,000</u>
Cash Flows from Capital Activities:	
Acquisition of capital assets	<u>(96,615)</u>
Net Cash (Used) by Capital Activities	<u>(96,615)</u>
Cash Flows from Investing Activities:	
Interest Received	<u>115</u>
Net Cash Provided by Investing Activities	<u>115</u>
Net Increase (Decrease) in Cash and Cash Equivalents	21,747
Cash and Cash Equivalents, Beginning of Year	<u>6,502</u>
Cash and Cash Equivalents, End of Year	<u><u>\$ 28,249</u></u>
Operating Income (Loss)	\$ (7,571)
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:	
Depreciation Expense	<u>5,818</u>
Net Cash Provided (Used) by Operating Activities	<u><u>\$ (1,753)</u></u>

See Notes to Financial Statements

ALBERT TOWNSHIP
STATEMENT OF FIDUCIARY FUND NET ASSETS
AGENCY FUNDS
MARCH 31, 2007

<u>ASSETS</u>	
Cash	\$ <u>23,037</u>
<u>TOTAL ASSETS</u>	<u>\$ 23,037</u>
<u>LIABILITIES</u>	
Due to Other Governmental Units	\$ <u>23,037</u>
<u>TOTAL LIABILITIES</u>	<u>\$ 23,037</u>

See Notes to Financial Statements

ALBERT TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2007

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of Albert Township conform to accounting principles generally accepted in the United States of America (GAAP) as applicable to governmental units. The following is a summary of the significant accounting policies used by the Township.

REPORTING ENTITY

The General Law Township is located in Montmorency County, Michigan and operated under an elected Township Board consisting of a Supervisor, Treasurer, Clerk, and two Trustees. This Board and its employees provide services to its residents in areas such as fire protection, ambulance service, voter registration, maintenance of township facilities, planning and zoning, and water.

The accompanying financial statements have been prepared in accordance with criteria established by the Governmental Accounting Standards Board for determining the various governmental organizations to be included in the reporting entity. These criteria include significant operational financial relationships that determine which of the governmental organizations are a part of the Township's reporting entity, and which organizations are legally separate, component units of the Township. Based on the application of the criteria, the Township does not contain any component units.

TOWNSHIP-WIDE AND FUND FINANCIAL STATEMENTS

The township-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the nonfiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. All of the Township's Township-wide activities are considered governmental activities.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenue includes (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes, intergovernmental payments, and other items not properly included among program revenues are reported instead as general revenue.

Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the township-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION

Township-Wide Financial Statements - The township-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenue is recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenue in the year for which they are levied. Grants, categorical aid, and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

As a general rule, the effect of interfund activity has been eliminated from the township-wide financial statements.

ALBERT TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2007

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Amounts reported as program revenue include (1) charges to customers or applicants for goods, services, or privileges provided; and (2) operating grants and contributions. Internally dedicated resources are reported as general revenue rather than as program revenue. Likewise, general revenue includes all taxes and unrestricted state aid/revenue sharing.

Fund Financial Statements – Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenue is recognized as soon as it is both measurable and available. Revenue is considered to be available if it is collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Township considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to claims and judgments, are recorded only when payment is due.

Property taxes, unrestricted state revenue sharing, intergovernmental grants, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenue of the current fiscal period. All other revenue items are considered to be available only when cash is received by the Township.

Fiduciary fund statements are also reported using the economic resources measurement focus and the accrual basis of accounting. All revenue and expenses not meeting this definition are reported as nonoperating revenue and expenses.

The Township reports the following major governmental funds:

General Fund - The General Fund is the Township's primary operating fund. It accounts for all financial resources of the Township, except those required to be accounted for in another fund.

Fire and Ambulance Fund – This is a special revenue fund used to record revenue and expenditures related to the fire and ambulance department activities.

Road Fund – This is a special revenue fund used to record the proceeds from tax levies and to record the expenditures for road improvements.

The Township reports only one business type activity fund, the Water Fund, which is an enterprise fund and is reported as a major fund.

Additionally, the Township reports the following governmental fund as non major funds: Special Revenue Metro Act Fund.

Fiduciary Funds – The Township maintains an Agency Fund to record the tax collection transactions. The funds are segregated and used to record the tax collection and distribution of taxes to the various taxing entities.

ASSETS, LIABILITIES, AND NET ASSETS OR EQUITY

Cash and Investments – Cash and investments include cash on hand, demand deposits, and savings accounts and certificates of deposit.

ALBERT TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2007

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Receivables and Payables – In general, outstanding balances between funds are reported as “due to/from other funds.”

All property tax receivables are shown net of an allowance for uncollectible amounts. The Township considers all receivables to be fully collectible; accordingly, no allowance for uncollectible amounts is recorded. Property taxes are assessed as of December 31 and the related property taxes are levied and become a lien on December 1 of the following year. These taxes are due on February 14 with the final collection date of February 28 before they are added to the county delinquent tax rolls. The County operates a delinquent tax revolving fund and normally pays to the Township all current taxes annually prior to June 30.

Capital Assets – Capital assets, which include land, buildings, equipment, and vehicles, are reported in the applicable governmental column in the Township-wide financial statements. Capital assets are defined by the Township as assets with an initial individual cost of more than \$500 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. Costs of normal repair and maintenance that do not add to the value or materially extend asset life are not capitalized. The Township does not have infrastructure-type assets.

Buildings, equipment, and vehicles are depreciated using the straight-line method over the following useful lives:

Buildings and building additions	10-50 years
Fire trucks and other vehicles	7-15 years
Furniture and other equipment	2-20 years

Long-Term Obligations – In the Township-wide financial statements long-term debt and other long-term obligations would be reported as liabilities in the statement of net assets. Albert Township has no long term debt.

Fund Equity – In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

Accounting Change – Effective April 1, 2005, the Township implemented the provisions of Governmental Accounting Standards Board Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments* (GASB No. 34) along with all related statements and interpretations. Changes to the Township's financial statements as a result of GASB No. 34 are as follows:

- § A Management's Discussion and Analysis (MD&A) section providing analysis of the Township's overall financial position and results of operations has been included.
- § Township-wide financial statements (statement of net assets and statement of activities) prepared using full accrual accounting for all of the Township's activities have been provided.

ALBERT TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2007

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

- § Capital assets in the governmental activities column of the statement of net assets includes assets totaling \$1,050,308 not previously accounted for by the Township
- § The governmental activities column includes accrued personal leave time of \$12,406 not previously reported.
- § The fund financial statements focus on major funds rather than fund types.

BUDGETS AND BUDGETARY ACCOUNTING

All funds are under the direct supervision and budgetary control of the Township board. In accordance with PA 621 of 1978, the Uniform Budgeting and Accounting Act as amended, the Township board adopts a budget for the general fund and the fire special revenue fund. Any budget violations are disclosed in the audits of the Township's financial statements as required by law.

Budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America. The budgets, as adopted, lapse after the close of the fiscal, and a new budget is adopted for the ensuing year. The budget for Albert Township, as presented in the accompanying financial statements is the amended budget as well as the original adopted budget for the funds required to be budgeted under state statute.

NOTE 2- STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Budgetary Information – Annual budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America and state law for the general and special revenue funds. All annual appropriations lapse at the fiscal year end.

The budget document presents information by fund and function. The legal level of budgetary control adopted by the governing body (i.e., the level at which expenditures may not legally exceed appropriations) is the function level. State law requires the Township to have its budget in place by July 1. Expenditures in excess of amounts budgeted are a violation of Michigan law. State law permits Townships to amend their budgets during the year.

Excess Expenditures Over Appropriations in Budgeted Funds - The Township is required under Public Act 621 of 1978 to adopt (pass) a budget (General Appropriations Act) for the General Fund and Individual Special Revenue Funds. The Township complied in all areas. The following items exceeded budgeted amounts.

	<u>Total Budget</u>	<u>Amount of Expenditures</u>	<u>Budget Variance</u>
General Fund:			
Town Hall	\$ 52,575	\$ 52,969	\$ (394)
Fire and Ambulance Fund:			
Fringes	\$ 28,600	\$ 31,213	\$ (2,613)
Utilities	\$ 12,800	\$ 13,233	\$ (433)

ALBERT TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2007

NOTE 3 - CASH AND INVESTMENTS

The captions on the combined balance sheet related to cash and investments are as follows:

	<u>Imprest</u>	<u>Cert of Dep</u>	<u>Cash/checking and Savings</u>	<u>Investments</u>	<u>Total</u>
Government Activities	\$ 200	\$ 636,424	\$ 90,694	\$ 689,497	\$ 1,416,815
Agency Funds	-	-0-	23,037	-0-	23,037
	<u>\$ 200</u>	<u>\$ 636,424</u>	<u>\$ 113,731</u>	<u>\$ 689,497</u>	<u>\$ 1,439,852</u>

Deposits - At year-end, the carrying amount of the Township's deposits was \$750,155 and the bank balance was \$770,793 was classified as to risk as follows.

Insured	\$ 604,095
Uninsured – Uncollateralized	146,060
	<u>\$ 750,155</u>

Investments – Act 217, PA 1982, authorized the Township to deposit and invest in the following:

- a. Bonds, bills, and other direct obligations of the United States or its agencies.
- b. Certificates of deposit and other savings instruments issued by a federally insured bank, savings and loan or credit union maintaining an office in Michigan.
- c. Commercial paper rated prime at the time of purchase and maturing not more than 270 days after the date of purchase.
- d. Mutual Funds comprised of investments which are legal for direct investment by local units of government in Michigan.
- e. U.S. Government or federal agency obligation repurchase agreements.
- f. Bankers' acceptance of United States banks

The \$689,497 in investments are held in the First Federal Non-FDIC Sweep Investment Account which is uninsured.

The Township Board is authorized to designate depositories for Township funds, and the funds are invested in accordance with State of Michigan statutory authority.

Credit Risk

State law limits investments in certain types of investments to a prime or better rating issued by nationally recognized statistical rating organizations (NRSRO's).

Interest Rate Risk

The Township has not adopted a policy that indicates how the Township will minimize interest rate risk, which is the risk that the market value of securities in the portfolio will fall due to changes in market interest rates, by limiting the weighted average maturity of its investment portfolio to less than a given period of time.

ALBERT TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2007

NOTE 3 - CASH AND INVESTMENTS (CONTINUED)

Concentration of Credit Risk

The Township has not adopted a policy that indicates how the Township will minimize concentration of credit risk, which is the risk of loss attributed to the magnitude of the Township's investment in a single issuer, by diversifying the investment portfolio so that the impact of potential losses from any one type of security or issuer will be minimized.

Custodial Credit Risk

The Township has not adopted a policy that indicates how the Township will minimize custodial credit risk, which is the risk that in the event of the failure of the counterparty, the Township will not be able to recover the value of its investments of collateral securities that are in possession of an outside party.

The Township Board is authorized to designate depositories for Township funds, and the funds are invested in accordance with State of Michigan statutory authority.

NOTE 4 - RISK MANAGEMENT

The Township purchases insurance in the Michigan Township Participating Plan for its liability, property and automobile coverage.

Worker compensation is purchased through the Accident Fund Insurance Company of America.

The Michigan Township Participating Plan is an authorized Michigan Self-Insurance Association and Albert Township is accepted as a member in this plan organized under Public Act 138 of 1982. A substantial number of Michigan townships participate in this coverage.

NOTE 5 – CAPITAL ASSETS

Capital asset activity of the Township's governmental activities for the current year was as follows:

	Balance <u>March 31, 2006</u>	<u>Additions</u>	<u>Disposals</u>	<u>March 31, 2007</u>
Capital assets not being depreciated:				
Land	\$ 64,700		\$ -	\$ 64,700
Capital assets being depreciated:				
Building and building improvements	875,305	9,880	-	885,185
Equipment and vehicles	<u>1,117,244</u>	<u>144,920</u>	<u>83,462</u>	<u>1,178,702</u>
Subtotal	<u>1,992,549</u>	<u>154,800</u>	<u>83,462</u>	<u>2,063,887</u>
Accumulated depreciation	<u>1,067,823</u>	<u>79,724</u>	<u>69,268</u>	<u>1,078,279</u>
Net capital assets being depreciated	<u>924,726</u>	<u>75,076</u>	<u>14,194</u>	<u>985,608</u>
Net governmental capital assets	<u>\$ 989,426</u>	<u>\$ 75,076</u>	<u>\$ 14,194</u>	<u>\$ 1,050,308</u>

ALBERT TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2007

NOTE 5 – CAPITAL ASSETS (CONTINUED)

Capital asset activity of the business type activities for the current year was as follows:

	Balance <u>March 31, 2006</u>	<u>Additions</u>	<u>Disposals</u>	<u>March 31, 2007</u>
Capital assets being depreciated:				
Building and building improvements	\$ 35,101	\$ -	\$ -	\$ 35,101
Equipment and vehicles	<u>156,052</u>	<u>119,915</u>	<u>-</u>	<u>275,967</u>
Subtotal	<u>191,153</u>	<u>119,915</u>	<u>-</u>	<u>311,068</u>
Accumulated depreciation	<u>81,353</u>	<u>5,818</u>	<u>-</u>	<u>87,171</u>
Net capital assets	<u>\$ 109,800</u>	<u>\$ 114,097</u>	<u>\$ -</u>	<u>\$ 223,897</u>

Depreciation expense was charged to activities of the Township as follows:

Governmental Activities:	
General Fund	\$ 19,563
Fire and Ambulance Fund	<u>60,161</u>
Total	<u>\$ 79,724</u>
Business Type Activities:	
Water Fund	<u>\$ 5,818</u>
Total	<u>\$ 5,818</u>

REQUIRED SUPPLEMENTARY INFORMATION

ALBERT TOWNSHIP
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, OTHER SOURCES (USES)
AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
FOR THE YEAR ENDED MARCH 31, 2007

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
REVENUES				
Taxes	\$ 115,640	\$ 115,640	\$ 118,145	\$ 2,505
State Sources	192,500	192,500	183,882	(8,618)
Other Governments	12,500	12,500	12,500	-
Charges for Services	96,050	103,350	108,844	5,494
Interest Income	21,180	21,180	45,943	24,763
Administration Fee	42,650	42,650	44,933	2,283
Other	600	500	1,802	1,302
TOTAL REVENUES	<u>481,120</u>	<u>488,320</u>	<u>516,049</u>	<u>27,729</u>
EXPENDITURES				
General Government:				
Township Board	55,709	55,709	54,060	1,649
Supervisor	12,222	12,222	11,315	907
Clerk	40,210	40,210	36,939	3,271
Board of Review	3,050	3,050	1,529	1,521
Board of Appeals	2,400	3,900	1,788	2,112
Treasurer	59,327	59,327	49,840	9,487
Assessor	45,700	45,700	40,948	4,752
Election	10,220	10,220	7,948	2,272
Township Hall	49,075	52,575	52,969	(394)
Attorney	13,000	13,000	11,980	1,020
Township Garage	6,950	3,950	3,418	532
Cemetery	12,700	13,700	11,972	1,728
Capital Outlay	-	10,000	9,880	120
Total General Government	<u>310,563</u>	<u>323,563</u>	<u>294,586</u>	<u>28,977</u>
Public Safety:				
Police	850	850	609	241
Planning and Zoning	<u>40,875</u>	<u>38,875</u>	<u>31,600</u>	<u>7,275</u>
Total Public Safety	<u>41,725</u>	<u>39,725</u>	<u>32,209</u>	<u>7,516</u>
Public Works				
Transfer Site	<u>111,775</u>	<u>111,775</u>	<u>64,814</u>	<u>46,961</u>

See Notes to Financial Statements

ALBERT TOWNSHIP
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, OTHER SOURCES (USES)
AND CHANGES IN FUND BALANCES (CONTINUED)
BUDGET AND ACTUAL
FOR THE YEAR ENDED MARCH 31, 2007

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
EXPENDITURES (CONTINUED)				
Recreation & Culture:				
Parks	\$ 14,400	\$ 10,900	\$ 10,297	\$ 603
Chamber of Commerce	1,350	1,350	294	1,056
Library	<u>6,000</u>	<u>6,000</u>	<u>3,881</u>	<u>2,119</u>
Total Recreation & Culture	<u>21,750</u>	<u>18,250</u>	<u>14,472</u>	<u>3,778</u>
 TOTAL EXPENDITURES	 <u>485,813</u>	 <u>493,313</u>	 <u>406,081</u>	 <u>87,232</u>
 REVENUES OVER (UNDER) EXPENDITURES	 (4,693)	 (4,993)	 109,968	 114,961
 OTHER FINANCING SOURCES (USES)				
Operating Transfers Out	<u>(180,000)</u>	<u>(180,000)</u>	<u>(120,000)</u>	<u>60,000</u>
 REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING (USES)	 (184,693)	 (184,993)	 (10,032)	 174,961
 FUND BALANCES, BEGINNING OF YEAR	 <u>418,885</u>	 <u>438,592</u>	 <u>438,592</u>	 <u>-</u>
 FUND BALANCES, END OF YEAR	 <u>\$ 234,192</u>	 <u>\$ 253,599</u>	 <u>\$ 428,560</u>	 <u>\$ 174,961</u>

ALBERT TOWNSHIP
FIRE & AMBULANCE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED MARCH 31, 2007

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
REVENUES				
Taxes	\$ 250,000	\$ 250,000	\$ 278,800	\$ 28,800
Intergovernmental Revenue				
Federal	-	45,000	39,406	(5,594)
State	-	-	-	-
Other Local Units	-	-	-	-
Charges for Services	130,000	130,000	121,351	(8,649)
Interest	14,500	14,500	32,212	17,712
Other Revenue	<u>10,200</u>	<u>10,500</u>	<u>9,253</u>	<u>(1,247)</u>
 TOTAL REVENUES	 <u>404,700</u>	 <u>450,000</u>	 <u>481,022</u>	 <u>31,022</u>
 EXPENDITURES				
Public Safety				-
Wages	212,000	212,000	203,084	8,916
Fringes	28,600	28,600	31,213	(2,613)
Supplies	35,200	46,700	40,635	6,065
Contractual Services	69,450	67,950	50,633	17,317
Utilities	12,800	12,800	13,233	(433)
Capital Outlay	<u>130,000</u>	<u>165,000</u>	<u>144,920</u>	<u>20,080</u>
 TOTAL EXPENDITURES	 <u>488,050</u>	 <u>533,050</u>	 <u>483,718</u>	 <u>49,332</u>
 REVENUES OVER (UNDER) EXPENDITURES	 <u>(83,350)</u>	 <u>(83,050)</u>	 <u>(2,696)</u>	 <u>80,354</u>
 FUND BALANCES, BEGINNING OF YEAR	 <u>856,209</u>	 <u>850,992</u>	 <u>850,992</u>	 <u>-</u>
 FUND BALANCES, END OF YEAR	 <u>\$ 772,859</u>	 <u>\$ 767,942</u>	 <u>\$ 848,296</u>	 <u>\$ 80,354</u>

See Notes to Financial Statements

ALBERT TOWNSHIP
ROAD FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED MARCH 31, 2007

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
REVENUES				
Taxes	\$ 50,000	\$ 50,000	\$ 66,764	\$ 16,764
Interest	2,500	2,500	7,204	4,704
Other Revenue	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL REVENUES	<u>52,500</u>	<u>52,500</u>	<u>73,968</u>	<u>21,468</u>
EXPENDITURES				
Public Works	<u>56,500</u>	<u>56,500</u>	<u>25,704</u>	<u>30,796</u>
TOTAL EXPENDITURES	<u>56,500</u>	<u>56,500</u>	<u>25,704</u>	<u>30,796</u>
REVENUES OVER (UNDER) EXPENDITURES	(4,000)	(4,000)	48,264	52,264
FUND BALANCES, BEGINNING OF YEAR	<u>170,522</u>	<u>171,060</u>	<u>171,060</u>	<u>-</u>
FUND BALANCES, END OF YEAR	<u>\$ 166,522</u>	<u>\$ 167,060</u>	<u>\$ 219,324</u>	<u>\$ 52,264</u>



Thomas R. Zick CPA, P.C.
CERTIFIED PUBLIC ACCOUNTANT

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FINANCIAL AUDIT COMMENTS

August 16, 2007

Township Board
Albert Township
Lewiston, Michigan 49756

In planning and performing my audit of the general purpose financial statements of Albert Township, Montmorency County for the year ended March 31, 2007, I considered its internal control structure in order to determine my auditing procedures for the purpose of expressing my opinion on the financial statements and not to provide assurance on the internal control structure. However, I noted certain matters involving the internal control structure and its operation that I feel should be communicated to you.

CASH DISBURSEMENTS / APPROVAL FOR PAYMENT

I noted several instances where vendor invoices were paid twice. This is again a repeat comment.

In one instance three checks were actually issued and two credits were returned while in another instance an original invoice was paid and the following month the same amount was paid from the vendor statement.

I feel the approval process used by Albert Township is adequate, but follow through by those involved in the system needs to be more complete.

BUDGETS

The following items exceeded budgeted amounts:

	<u>Total Budget</u>	<u>Amount of Expenditures</u>	<u>Budget Variance</u>
General Fund:			
Town Hall	\$ 52,575	\$ 52,969	\$ (394)
Fire and Ambulance Fund:			
Fringes	\$ 28,600	\$ 31,213	\$ (2,613)
Utilities	\$ 12,800	\$ 13,233	\$ (433)

Page 2
August 16, 2007
Township Board
Albert Township

PAYMENT IN LIEU OF TAXES

I noted the subsidized housing projects in the Township were, in previous years, delinquent in forwarding their annual fee (payment in lieu of taxes) and that the report to the Michigan Department of Treasury has not been timely filed by the Township because of this late payment.

This did not occur in 2006/07. The taxes were timely paid and the report was timely filed with the Michigan Department of Treasury.

This report is intended solely for the information and use of the Albert Township Montmorency County, Michigan, management, and others on the board, and the Michigan Department of Treasury. This report is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

A handwritten signature in black ink, appearing to read "Thomas R. Zick, CPA, P.C.", written in a cursive style.

Thomas R. Zick CPA, P.C.
Certified Public Accountant